

AMENDED IN SENATE APRIL 22, 2013

AMENDED IN SENATE MARCH 14, 2013

SENATE BILL

No. 3

Introduced by Senators Yee and Lieu
(Coauthors: Assembly Members Pan and Ting)

December 3, 2012

An act to amend Sections 84100, 84101, 84103, 84108, 84200.6, 84203, 84203.3, 84204, 84215, 84220, 84300, 84602, 84605, and 91013 of, to amend and renumber Sections 82036 and 82036.5 of, and to add Sections 84202.8, 84202.9, and Section 84620 to, the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

SB 3, as amended, Yee. Political Reform Act of 1974.

(1) Existing law, the Political Reform Act of 1974, provides for the comprehensive regulation of campaign financing, including requiring the reporting of campaign contributions and expenditures, as defined, and imposing other reporting and recordkeeping requirements on campaign committees, as defined. A violation of the act's provisions is punishable as a misdemeanor.

This bill would revise the terms "late contribution" and "late independent expenditure," as defined in the act, to "election-cycle contribution" and "election-cycle independent expenditure," respectively, and would make conforming changes.

The bill would also increase the fines and penalties imposed for campaign statements and reports that are filed late.

(2) The act requires each committee to file a statement of organization within 10 days of becoming a committee. The act also requires a committee to file an amended statement of organization whenever there

is a change to the information contained in the statement of organization. The act requires certain committees to file the original statement with the Secretary of State and a copy to be filed with the local filing officer. The act requires the Secretary of State to forward a copy of the statement of organization to the county elections official, and for the county elections official to forward a copy to appropriate city clerks. The act requires the Secretary of State, in consultation with the Commission, to develop online and electronic filing processes for specified entities.

This bill would require that the statement and any amendments be filed with the Secretary of State by online or electronic means. The bill would reduce the time in which the statement of organization must be filed to 5 days. The bill would authorize a committee to satisfy the local filing requirement by online or electronic means if the local filing officer accepts filing by online or electronic means. This bill would specify that the Secretary of State and the county elections officials forward copies of the statement of organization by online or electronic means.

This bill would also require the Secretary of State to ~~work toward the development of~~ *develop* a single, statewide electronic filing system that consolidates the filing of all state and local campaign statements and reports into one searchable database that meets specified criteria. The bill would require the Secretary of State to develop a feasibility study report for the electronic filing system by December 31, 2014, to develop a funding plan, to engage in fundraising, and to complete work on the electronic filing system by December 31, 2018.

(3) The act requires each committee to have a designated treasurer who is identified in the statement of organization. A committee may not make an expenditure without the authorization of the treasurer.

This bill would require a treasurer for a committee or committees that have made cumulative contributions or expenditures in excess of \$250,000 to complete an online certification course, designed and administered by the Commission, that addresses the statutes and regulations governing the financing of campaigns and the duties and responsibilities of a treasurer within 20 business days after being designated as the treasurer, or within 20 business days of exceeding the \$250,000 threshold if the committees have not exceeded the threshold at the time the treasurer is designated. The bill would require the treasurer to make certain verifications under penalty of perjury. By creating a new crime, this bill would impose a state-mandated local program.

(4) The act requires a committee to file certain special campaign statements, in addition to semi-annual and preelection campaign statements. The act requires certain officers to file these statements by online or electronic means and a copy in paper format with the Secretary of State.

~~This bill would establish a postelection campaign statement that elected officers, candidates, and committees would be required to file after an election covering a time period starting on the day after the closing date of the last campaign statement required to be filed prior to the election and ending on the final calendar day of the month in which the election occurred. The bill would also establish a cumulative campaign statement to be filed by certain officers, candidates, and committees after an election that occurs in an even-numbered year that covers a time period of 2 calendar years. The bill would require the Fair Political Practices Commission to adopt regulations with respect to filing cumulative campaign statements for special elections and elections in odd-numbered years.~~

This bill would repeal the requirement that a committee file a paper copy of a campaign statement in addition to the online or electronic filing.

(5) The act requires certain reports, such as late contribution and late independent expenditure reports, to be filed within 24 hours by facsimile transmission, guaranteed overnight delivery, or personal delivery.

This bill would additionally authorize certain reports that have a 24-hour filing deadline to be filed by online transmission.

(6) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(7) The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes upon a $\frac{2}{3}$ vote of each house and compliance with specified procedural requirements.

This bill would declare that it furthers the purposes of the act.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 82036 of the Government Code is amended and renumbered to read:

82022.5. “Election-cycle contribution” means any of the following:

(a) A contribution, including a loan, that totals in the aggregate one thousand dollars (\$1,000) or more and is made to or received by a candidate, a controlled committee, or a committee formed or existing primarily to support or oppose a candidate or measure within 90 days before the date of the election at which the candidate or measure is to be voted on. For purposes of the Board of Administration of the Public Employees’ Retirement System and the Teachers’ Retirement Board, “the date of the election” is the deadline to return ballots.

(b) A contribution, including a loan, that totals in the aggregate one thousand dollars (\$1,000) or more and is made to or received by a political party committee, as defined in Section 85205, within 90 days before the date of a state election.

SEC. 2. Section 82036.5 of the Government Code is amended and renumbered to read:

82022.7. “Election-cycle independent expenditure” means an independent expenditure that totals in the aggregate one thousand dollars (\$1,000) or more and is made for or against a specific candidate or measure involved in an election within 90 days before the date of the election. For purposes of the Board of Administration of the Public Employees’ Retirement System and the Teachers’ Retirement Board, “the date of the election” is the deadline to return ballots.

SEC. 3. Section 84100 of the Government Code is amended to read:

84100. (a) Every committee shall have a treasurer. No expenditure shall be made by or on behalf of a committee without the authorization of the treasurer or that of his or her designated agents. No contribution or expenditure shall be accepted or made by or on behalf of a committee at a time when there is a vacancy in the office of treasurer.

(b) (1) Prior to being designated as a treasurer pursuant to Section 84102 or 84103, or not later than 20 business days after that designation, a treasurer who serves as a treasurer for one or

1 more committees that have made cumulative contributions or
2 expenditures in excess of two hundred fifty thousand dollars
3 (\$250,000) shall complete an online certification course, designed
4 and administered by the Commission, that addresses the statutes
5 and regulations governing the financing of campaigns, and the
6 duties and responsibilities of a treasurer, under this title. If the
7 cumulative contributions or expenditures for a treasurer's
8 committees are two hundred fifty thousand dollars (\$250,000) or
9 less at the time the treasurer is designated as treasurer for a
10 committee, that treasurer shall be required to complete the online
11 certification course within 20 business days after the date upon
12 which the contributions or expenditures of the committee or
13 committees exceed two hundred fifty thousand dollars (\$250,000).
14 The course shall require each applicant for certification to verify,
15 under penalty of perjury, his or her identity by means of an
16 identifier determined by the Commission.

17 (2) The Commission may charge each applicant for certification
18 pursuant to this subdivision a fee not to exceed fifty dollars (\$50).
19 The fee may be paid with, or reimbursed from, campaign funds,
20 as defined in Section 89511.

21 (3) Each treasurer shall verify, under penalty of perjury, on a
22 statement of organization required by Section 84101, or on an
23 amendment to a statement of organization required by Section
24 84103, that he or she has been certified pursuant to this subdivision.

25 (4) A treasurer shall renew his or her certification pursuant to
26 this subdivision every two years.

27 (5) The Commission shall maintain on its Internet Web site a
28 list of treasurers who are currently certified pursuant to this
29 subdivision.

30 SEC. 4. Section 84101 of the Government Code is amended
31 to read:

32 84101. (a) A committee that is a committee by virtue of
33 subdivision (a) of Section 82013 shall file a statement of
34 organization. The committee shall file the statement of organization
35 by online or electronic means with the Secretary of State, pursuant
36 to Chapter 4.6 (commencing with Section 84600), and shall also
37 file a copy of the statement of organization with the local filing
38 officer, if any, with whom the committee is required to file the
39 originals of its campaign reports pursuant to Section 84215. A
40 committee may satisfy the local filing requirement by online or

1 electronic means if the local filing officer accepts filing by online
2 or electronic means. The statement of organization shall be filed
3 within five days after the committee has qualified as a committee.
4 The Secretary of State shall assign a number to each committee
5 that files a statement of organization and shall notify the committee
6 of the number. The Secretary of State shall send a copy of
7 statements filed pursuant to this section to the county elections
8 official of each county that he or she deems appropriate by online
9 or electronic means. A county elections official who receives a
10 copy of a statement of organization from the Secretary of State
11 pursuant to this section shall send a copy of the statement to the
12 clerk of each city in the county that he or she deems appropriate
13 by online or electronic means.

14 (b) In addition to filing the statement of organization as required
15 by subdivision (a), if a committee qualifies as a committee under
16 subdivision (a) of Section 82013 before the date of an election in
17 connection with which the committee is required to file a
18 preelection statement, but after the closing date of the last campaign
19 statement required to be filed before the election pursuant to
20 Section 84200.7, 84200.8, or 84200.9, the committee shall file, by
21 facsimile transmission, guaranteed overnight delivery, personal
22 delivery, or online transmission within 24 hours of qualifying as
23 a committee, the information required to be reported in the
24 statement of organization. The information required by this
25 subdivision shall be filed with the filing officer with whom the
26 committee is required to file the originals of its campaign reports
27 pursuant to Section 84215.

28 (c) If an independent expenditure committee qualifies as a
29 committee pursuant to subdivision (a) of Section 82013 during the
30 time period described in Section 82022.7 and makes independent
31 expenditures of one thousand dollars (\$1,000) or more to support
32 or oppose a candidate or candidates for office, the committee shall
33 file, by facsimile transmission, online transmission, guaranteed
34 overnight delivery, or personal delivery within 24 hours of
35 qualifying as a committee, the information required to be reported
36 in the statement of organization. The information required by this
37 section shall be filed with the filing officer with whom the
38 committee is required to file the original of its campaign reports
39 pursuant to Section 84215, and shall be filed at all locations
40 required for the candidate or candidates supported or opposed by

the independent expenditures. The filings required by this section are in addition to filings that may be required by Sections 84203.5 and 84204.

(d) For purposes of this section, in calculating whether one thousand dollars (\$1,000) in contributions has been received, payments for a filing fee or for a statement of qualifications to appear in a sample ballot shall not be included if these payments have been made from the candidate's personal funds.

SEC. 5. Section 84103 of the Government Code is amended to read:

84103. (a) Whenever there is a change in any of the information contained in a statement of organization, an amendment shall be filed within 10 days to reflect the change. The committee shall file the amendment with the Secretary of State by online or electronic means and shall also file a copy of the amendment with the local filing officer, if any, with whom the committee is required to file the originals of its campaign reports pursuant to Section 84215.

(b) In addition to filing an amendment to a statement of organization as required by subdivision (a), a committee as defined in subdivision (a) of Section 82013 shall, by facsimile transmission, online transmission, guaranteed overnight delivery, or personal delivery within 24 hours, notify the filing officer with whom it is required to file its campaign reports pursuant to Section 84215 when the change requiring the amendment occurs before the date of the election in connection with which the committee is required to file a preelection statement, but after the closing date of the last preelection statement required to be filed for the election pursuant to Section 84200.7 or 84200.8, if any of the following information is changed:

(1) The name of the committee.

(2) The name of the treasurer or other principal officers.

(3) The name of any candidate or committee by which the committee is controlled or with which it acts jointly.

The notification shall include the changed information, the date of the change, the name of the person providing the notification, and the committee's name and identification number.

A committee may file a notification online only if the appropriate filing officer is capable of receiving the notification in that manner.

1 SEC. 6. Section 84108 of the Government Code is amended
2 to read:

3 84108. (a) Every slate mailer organization shall comply with
4 the requirements of Sections 84100, 84101, 84103, and 84104.

5 (b) The statement of organization of a slate mailer organization
6 shall include:

7 (1) The name, street address, and telephone number of the
8 organization. In the case of an individual or business entity that
9 qualifies as a slate mailer organization, the name of the slate mailer
10 organization shall include the name by which the individual or
11 entity is identified for legal purposes. Whenever identification of
12 a slate mailer organization is required by this title, the identification
13 shall include the full name of the slate mailer organization as
14 contained in its statement of organization.

15 (2) The full name, street address, and telephone number of the
16 treasurer and other principal officers.

17 (3) The full name, street address, and telephone number of each
18 person with final decisionmaking authority as to which candidates
19 or measures will be supported or opposed in the organization's
20 slate mailers.

21 (c) The statement of organization shall be filed with the
22 Secretary of State within 10 days after the slate mailer organization
23 receives or is promised five hundred dollars (\$500) or more for
24 producing one or more slate mailers. However, if an entity qualifies
25 as a slate mailer organization before the date of an election in
26 which it is required to file preelection statements, but after the
27 closing date of the last campaign statement required to be filed
28 before the election pursuant to Section 84218, the slate mailer
29 organization shall file with the Secretary of State, by facsimile
30 transmission, guaranteed overnight delivery, online transmission,
31 or personal delivery within 24 hours of qualifying as a slate mailer
32 organization, the information required to be reported in the
33 statement of organization.

34 SEC. 7. Section 84200.6 of the Government Code is amended
35 to read:

36 84200.6. In addition to the campaign statements required by
37 Sections 84200 and 84200.5, all candidates and committees shall
38 file the following special statements and reports:

39 (a) Supplemental preelection statements when required by
40 Section 84202.5.

~~(b) Postelection campaign statements when required by Section 84202.8:~~

~~(c) Cumulative campaign statements when required by Section 84202.9:~~

~~(d) “Election-cycle~~

~~(b) Election-cycle contribution reports when required by Section 84203.~~

~~(e)~~

~~(c) Independent expenditure reports when required by Section 84203.5.~~

~~(f) “Election-cycle~~

~~(d) Election-cycle independent expenditure reports when required by Section 84204.~~

~~SEC. 8.— Section 84202.8 is added to the Government Code, to read:~~

~~84202.8.— In addition to the campaign statements required by Section 84200 and 84200.5, elected officers, candidates, and committees shall file a postelection campaign statement on the 20th day of the month following the month in which the election occurred. The postelection campaign statement shall cover the time period starting the day after the closing date of the last campaign statement required to be filed prior to the election and ending the final calendar day of the month in which the election occurred.~~

~~SEC. 9.— Section 84202.9 is added to the Government Code, to read:~~

~~84202.9.— (a) During an even-numbered year, all candidates for elective office to be voted upon in the statewide primary election or statewide general election, their controlled committees, committees formed primarily to support or oppose an elected state officer or candidate for state elective office being voted upon, and all committees formed primarily to support or oppose a ballot measure to be voted upon at the statewide primary election or statewide general election shall file a cumulative campaign statement. The cumulative campaign statement shall be filed by January 31 of the year following the year of the election and shall cover the time period starting January 1 of the odd-numbered year preceding the election and ending December 31 of the year in which the election occurred.~~

1 ~~(b) For purposes of special elections and elections in~~
2 ~~odd-numbered years, all candidates, their controlled committees,~~
3 ~~and committees primarily formed to support or oppose a candidate~~
4 ~~or ballot measure shall be required to file cumulative campaign~~
5 ~~statements on a date and for a time period determined by the~~
6 ~~Commission by regulation.~~

7 ~~SEC. 10.~~

8 *SEC. 8.* Section 84203 of the Government Code is amended
9 to read:

10 84203. (a) Each candidate or committee that makes or receives
11 an election-cycle contribution, as defined in Section 82022.5, shall
12 report the election-cycle contribution to each office with which
13 the candidate or committee is required to file its next campaign
14 statement pursuant to Section 84215. The candidate or committee
15 that makes the election-cycle contribution shall report his or her
16 full name and street address and the full name and street address
17 of the person to whom the election-cycle contribution has been
18 made, the office sought if the recipient is a candidate, or the ballot
19 measure number or letter if the recipient is a committee primarily
20 formed to support or oppose a ballot measure, and the date and
21 amount of the election-cycle contribution. The recipient of the
22 election-cycle contribution shall report his or her full name and
23 street address, the date and amount of the election-cycle
24 contribution, and whether the contribution was made in the form
25 of a loan. The recipient shall also report the full name of the
26 contributor, his or her street address, occupation, and the name of
27 his or her employer, or if self-employed, the name of the business.

28 (b) An election-cycle contribution shall be reported by facsimile
29 transmission, guaranteed overnight delivery, online transmission,
30 or personal delivery within 24 hours of the time it is made in the
31 case of the candidate or committee that makes the contribution
32 and within 24 hours of the time it is received in the case of the
33 recipient. If an election-cycle contribution is required to be reported
34 to the Secretary of State, the report to the Secretary of State shall
35 be by online or electronic transmission only. An election-cycle
36 contribution shall be reported on subsequent campaign statements
37 without regard to reports filed pursuant to this section.

38 (c) An election-cycle contribution need not be reported nor shall
39 it be deemed accepted if it is not cashed, negotiated, or deposited
40 and is returned to the contributor within 24 hours of its receipt.

1 (d) A report filed pursuant to this section shall be in addition to
2 any other campaign statement required to be filed by this chapter.

3 (e) The report required pursuant to this section is not required
4 to be filed by a candidate or committee that has disclosed the
5 election-cycle contribution pursuant to subdivision (a) or (b) of
6 Section 85309.

7 ~~SEC. 11.~~

8 *SEC. 9.* Section 84203.3 of the Government Code is amended
9 to read:

10 84203.3. (a) Any candidate or committee that makes an
11 election-cycle contribution that is a nonmonetary contribution shall
12 notify the recipient in writing of the value of the nonmonetary
13 contribution. The notice shall be received by the recipient within
14 24 hours of the time the contribution is made.

15 (b) Nothing in this section shall relieve a candidate or committee
16 that makes an election-cycle nonmonetary contribution or the
17 recipient of an election-cycle nonmonetary contribution from the
18 requirement to file election-cycle contribution reports pursuant to
19 Section 84203. However, a report filed by the recipient of an
20 election-cycle nonmonetary contribution shall be deemed timely
21 filed if it is received by the filing officer within 48 hours of the
22 time the contribution is received.

23 ~~SEC. 12.~~

24 *SEC. 10.* Section 84204 of the Government Code is amended
25 to read:

26 84204. (a) A committee that makes an election-cycle
27 independent expenditure, as defined in Section 82022.7, shall
28 report the election-cycle independent expenditure by facsimile
29 transmission, guaranteed overnight delivery, online transmission,
30 or personal delivery within 24 hours of the time it is made. If an
31 election-cycle independent expenditure is required to be reported
32 to the Secretary of State, the report to the Secretary of State shall
33 be by online or electronic transmission only. An election-cycle
34 independent expenditure shall be reported on subsequent campaign
35 statements without regard to reports filed pursuant to this section.

36 (b) A committee that makes an election-cycle independent
37 expenditure shall report its full name and street address, as well
38 as the name, office, and district of the candidate if the report is
39 related to a candidate, or if the report is related to a measure, the
40 number or letter of the measure, the jurisdiction in which the

1 measure is to be voted upon, and the amount and the date, as well
2 as a description of goods or services for which the election-cycle
3 independent expenditure was made. In addition to the information
4 required by this subdivision, a committee that makes an
5 election-cycle independent expenditure shall include with its
6 election-cycle independent expenditure report the information
7 required by paragraphs (1) to (5), inclusive, of subdivision (f) of
8 Section 84211, covering the period from the day after the closing
9 date of the last campaign report filed to the date of the
10 election-cycle independent expenditure, or if the committee has
11 not previously filed a campaign statement, covering the period
12 from the previous January 1 to the date of the election-cycle
13 independent expenditure. No information required by paragraphs
14 (1) to (5), inclusive, of subdivision (f) of Section 84211 that is
15 required to be reported with an election-cycle independent
16 expenditure report by this subdivision is required to be reported
17 on more than one election-cycle independent expenditure report.

18 (c) A committee that makes an election-cycle independent
19 expenditure shall file an election-cycle independent expenditure
20 report in the places where it would be required to file campaign
21 statements under this article as if it were formed or existing
22 primarily to support or oppose the candidate or measure for or
23 against which it is making the election-cycle independent
24 expenditure.

25 (d) A report filed pursuant to this section shall be in addition to
26 any other campaign statement required to be filed by this article.

27 (e) Expenditures that have been disclosed by candidates and
28 committees pursuant to Section 85500 are not required to be
29 disclosed pursuant to this section.

30 ~~SEC. 13.~~

31 *SEC. 11.* Section 84215 of the Government Code is amended
32 to read:

33 84215. All candidates and elected officers and their controlled
34 committees, except as provided in subdivisions (d) and (e), shall
35 file one copy of the campaign statements required by Section 84200
36 with the elections official of the county in which the candidate or
37 elected official is domiciled, as defined in subdivision (b) of
38 Section 349 of the Elections Code. In addition, campaign
39 statements shall be filed at the following places:

1 (a) Statewide elected officers, including members of the State
2 Board of Equalization; Members of the Legislature; Supreme Court
3 justices, court of appeal justices, and superior court judges;
4 candidates for those offices and their controlled committees;
5 committees formed or existing primarily to support or oppose these
6 candidates, elected officers, justices and judges, or statewide
7 measures, or the qualification of state ballot measures; and all state
8 general purpose committees and filers not specified in subdivisions
9 (b) to (e), inclusive, shall file a campaign statement by online or
10 electronic means, as specified in Section 84605, with the Secretary
11 of State.

12 (b) Elected officers in jurisdictions other than legislative
13 districts, State Board of Equalization districts, or appellate court
14 districts that contain parts of two or more counties, candidates for
15 these offices, their controlled committees, and committees formed
16 or existing primarily to support or oppose candidates or local
17 measures to be voted upon in one of these jurisdictions shall file
18 the original and one copy with the elections official of the county
19 with the largest number of registered voters in the jurisdiction.

20 (c) County elected officers, candidates for these offices, their
21 controlled committees, committees formed or existing primarily
22 to support or oppose candidates or local measures to be voted upon
23 in any number of jurisdictions within one county, other than those
24 specified in subdivision (d), and county general purpose
25 committees shall file the original and one copy with the elections
26 official of the county.

27 (d) City elected officers, candidates for city office, their
28 controlled committees, committees formed or existing primarily
29 to support or oppose candidates or local measures to be voted upon
30 in one city, and city general purpose committees shall file the
31 original and one copy with the clerk of the city and are not required
32 to file with the local elections official of the county in which they
33 are domiciled.

34 (e) Elected members of the Board of Administration of the
35 Public Employees' Retirement System, elected members of the
36 Teachers' Retirement Board, candidates for these offices, their
37 controlled committees, and committees formed or existing
38 primarily to support or oppose these candidates or elected members
39 shall file the original and one copy with the Secretary of State, and
40 a copy shall be filed at the relevant board's office in Sacramento.

1 These elected officers, candidates, and committees need not file
2 with the elections official of the county in which they are
3 domiciled.

4 (f) Notwithstanding any other provision of this section, a
5 committee, candidate, or elected officer is not required to file more
6 than the original and one copy, or one copy, of a campaign
7 statement with any one county elections official or city clerk or
8 with the Secretary of State.

9 (g) If a committee is required to file campaign statements
10 required by Section 84200 or 84200.5 in places designated in
11 subdivisions (a) to (d), inclusive, it shall continue to file these
12 statements in those places, in addition to any other places required
13 by this title, until the end of the calendar year.

14 (h) If a jurisdiction authorizes the use of filing by online or
15 electronic means and a committee, candidate, or elected officer
16 files the campaign statement by online or electronic means, then
17 the committee, candidate, or elected officer shall not be required
18 to file an original or copy of a campaign statement in paper format,
19 unless otherwise required by statute or local ordinance.

20 ~~SEC. 14.~~

21 *SEC. 12.* Section 84220 of the Government Code is amended
22 to read:

23 84220. If a slate mailer organization receives a payment of two
24 thousand five hundred dollars (\$2,500) or more for purposes of
25 supporting or opposing any candidate or ballot measure in a slate
26 mailer, and the payment is received at a time when, if the payment
27 were a contribution it would be considered an election-cycle
28 contribution, then the slate mailer organization shall report the
29 payment in the manner set forth in Section 84203 for candidates
30 and committees when reporting election-cycle contributions
31 received. The slate mailer organization shall, in addition to
32 reporting the information required by Section 84203, identify the
33 candidates or measures whose support or opposition is being paid
34 for, in whole or in part, by each election-cycle payment.

35 ~~SEC. 15.~~

36 *SEC. 13.* Section 84300 of the Government Code is amended
37 to read:

38 84300. (a) No contribution of one hundred dollars (\$100) or
39 more shall be made or received in cash.

A cash contribution shall not be deemed received if it is not negotiated or deposited and is returned to the contributor before the closing date of the campaign statement on which the contribution would otherwise be reported. If a cash contribution, other than an election-cycle contribution, as defined in Section 82022.5, is negotiated or deposited, it shall not be deemed received if it is refunded within 72 hours of receipt. In the case of an election-cycle contribution, as defined in Section 82022.5, it shall not be deemed received if it is returned to the contributor within 48 hours of receipt.

(b) No expenditure of one hundred dollars (\$100) or more shall be made in cash.

(c) No contribution of one hundred dollars (\$100) or more other than an in-kind contribution shall be made unless in the form of a written instrument containing the name of the donor and the name of the payee and drawn from the account of the donor or the intermediary, as defined in Section 84302.

(d) The value of all in-kind contributions of one hundred dollars (\$100) or more shall be reported in writing to the recipient upon the request in writing of the recipient.

~~SEC. 16.~~

SEC. 14. Section 84602 of the Government Code is amended to read:

84602. To implement the Legislature's intent, the Secretary of State, in consultation with the Commission, notwithstanding any other provision of this code, shall do all of the following:

(a) Develop online and electronic filing processes for use by persons and entities specified in Section 84605 that are required to file statements and reports with the Secretary of State's office pursuant to Chapter 4 (commencing with Section 84100) and Chapter 6 (commencing with Section 86100). Those processes shall each enable a user to comply with all the disclosure requirements of this title and shall include, at a minimum, the following:

(1) A means or method whereby filers subject to this chapter may submit required filings free of charge. Any means or method developed pursuant to this provision shall not provide any additional or enhanced functions or services that exceed the minimum requirements necessary to fulfill the disclosure provisions

1 of this title. At least one means or method shall be made available
2 no later than December 31, 2002.

3 (2) The definition of a nonproprietary standardized record format
4 or formats using industry standards for the transmission of the data
5 that is required of those persons and entities specified *in* Section
6 84605 and that conforms with the disclosure requirements of this
7 title. The Secretary of State shall hold public hearings prior to
8 development of the record format or formats as a means to ensure
9 that affected entities have an opportunity to provide input into the
10 development process. The format or formats shall be made public
11 no later than July 1, 1999, to ensure sufficient time to comply with
12 this chapter.

13 (b) Accept test files from software vendors and others wishing
14 to file reports electronically, for the purpose of determining whether
15 the file format is in compliance with the standardized record format
16 developed pursuant to subdivision (a) and is compatible with the
17 Secretary of State's system for receiving the data. A list of the
18 software and service providers who have submitted acceptable test
19 files shall be published by the Secretary of State and made available
20 to the public. Acceptably formatted files shall be submitted by a
21 filer in order to meet the requirements of this chapter.

22 (c) Develop a system that provides for the online or electronic
23 transfer of the data specified in this section utilizing
24 telecommunications technology that ~~assures~~ *ensures* the integrity
25 of the data transmitted and that creates safeguards against efforts
26 to tamper with or subvert the data.

27 (d) Make all the data filed available on the Internet in an easily
28 understood format that provides the greatest public access. The
29 data shall be made available free of charge and as soon as possible
30 after receipt. All election-cycle contribution and election-cycle
31 independent expenditure reports, as defined by Sections 84203
32 and 84204, respectively, shall be made available on the Internet
33 within 24 hours of receipt. The data made available on the Internet
34 shall not contain the street name and building number of the
35 persons or entity representatives listed on the electronically filed
36 forms or any bank account number required to be disclosed
37 pursuant to this title.

38 (e) Develop a procedure for filers to comply with the
39 requirement that they sign under penalty of perjury pursuant to
40 Section 81004.

1 (f) Maintain all filed data online for 10 years after the date it is
2 filed, and then archive the information in a secure format.

3 (g) Provide assistance to those seeking public access to the
4 information.

5 (h) Implement sufficient technology to seek to prevent
6 unauthorized alteration or manipulation of the data.

7 (i) Provide the Commission with necessary information to enable
8 it to assist agencies, public officials, and others with the compliance
9 with and administration of this title.

10 (j) Report to the Legislature on the implementation and
11 development of the online and electronic filing and disclosure
12 requirements of this chapter. The report shall include an
13 examination of system security, private security issues, software
14 availability, compliance costs to filers, use of the filing system and
15 software provided by the Secretary of State, and other issues
16 relating to this chapter, and shall recommend appropriate changes
17 if necessary. In preparing the report, the Commission may present
18 to the Secretary of State and the Legislature its comments regarding
19 this chapter as it relates to the duties of the Commission and
20 suggest appropriate changes if necessary. There shall be one report
21 due before the system is operational as set forth in Section 84603,
22 one report due no later than June 1, 2002, and one report due no
23 later than January 31, 2003.

24 (k) Review the current filing and disclosure requirements of
25 this chapter and report to the Legislature, no later than June 1,
26 2005, recommendations on revising these requirements so as to
27 promote greater reliance on electronic and online submissions.

28 ~~SEC. 17.~~

29 *SEC. 15.* Section 84605 of the Government Code is amended
30 to read:

31 84605. (a) The following persons shall file online or
32 electronically with the Secretary of State:

33 (1) Any candidate, including superior court, appellate court,
34 and Supreme Court candidates and officeholders, committee, or
35 other persons who are required, pursuant to Chapter 4 (commencing
36 with Section 84100), to file statements, reports, or other documents
37 in connection with a state elective office or state measure, provided
38 that the total cumulative reportable amount of contributions
39 received, expenditures made, loans made, or loans received is
40 twenty-five thousand dollars (\$25,000) or more. In determining

1 the cumulative reportable amount, all controlled committees, as
2 defined by Section 82016, shall be included. For a committee
3 subject to this title prior to January 1, 2000, the beginning date for
4 calculating cumulative totals is January 1, 2000. For a committee
5 that is first subject to this title on or after January 1, 2000, the
6 beginning date for calculating cumulative totals is the date the
7 committee is first subject to this title. A committee, as defined in
8 subdivision (c) of Section 82013, shall file online or electronically
9 if it makes contributions of twenty-five thousand dollars (\$25,000)
10 or more in a calendar year.

11 (2) Any general purpose committees, as defined in Section
12 82027.5, including the general purpose committees of political
13 parties, and small contributor committees, as defined in Section
14 85203, that cumulatively receive contributions or make
15 expenditures totaling twenty-five thousand dollars (\$25,000) or
16 more to support or oppose candidates for any elective state office
17 or state measure. For a committee subject to this title prior to
18 January 1, 2000, the beginning date for calculating cumulative
19 totals is January 1, 2000. For a committee that first is subject to
20 this title on or after January 1, 2000, the beginning date for
21 calculating cumulative totals is the date the committee is first
22 subject to this title.

23 (3) Any slate mailer organization with cumulative reportable
24 payments received or made for the purposes of producing slate
25 mailers of twenty-five thousand dollars (\$25,000) or more. For a
26 slate mailer organization subject to this title prior to January 1,
27 2000, the beginning date for calculating cumulative totals is
28 January 1, 2000. For a slate mailer organization that first is subject
29 to this title on or after January 1, 2000, the beginning date for
30 calculating cumulative totals is the date the organization is first
31 subject to this title.

32 (4) Any lobbyist, lobbying firm, lobbyist employer, or other
33 persons required, pursuant to Chapter 6 (commencing with Section
34 86100), to file statements, reports, or other documents, provided
35 that the total amount of any category of reportable payments,
36 expenses, contributions, gifts, or other items is two thousand five
37 hundred dollars (\$2,500) or more in a calendar quarter.

38 (b) The Secretary of State shall also disclose on the Internet any
39 election-cycle contribution or election-cycle independent
40 expenditure report, as defined by Sections 84203 and 84204,

1 respectively, not covered by paragraph (1), (2), or (3) of subdivision
2 (a) or any other provision of law.

3 (c) Committees and other persons that are not required to file
4 online or electronically by this section may do so voluntarily.

5 (d) Once a person or entity is required to file online or
6 electronically, subject to subdivision (a) or (c), the person or entity
7 shall be required to file all subsequent reports online or
8 electronically.

9 (e) It shall be presumed that online or electronic filers file under
10 penalty of perjury.

11 (f) Persons filing online or electronically shall also continue to
12 file required disclosure statements and reports in paper format.
13 The paper copy shall continue to be the official filing for audit and
14 other legal purposes until the Secretary of State, pursuant to Section
15 84606, determines the system is operating securely and effectively.

16 (g) The Secretary of State shall maintain at all times a secured,
17 official version of all original online and electronically filed
18 statements and reports required by this chapter. Upon determination
19 by the Secretary of State, pursuant to Section 84606, that the
20 system is operating securely and effectively, this online or
21 electronic version shall be the official version for audit and other
22 legal purposes.

23 (h) Except for statements related to a local elective office or a
24 local ballot measure filed by a candidate for local elective office
25 who is also a candidate for elective state office, a copy of a
26 statement, report, or other document filed by online or electronic
27 means with the Secretary of State shall not be filed with a local
28 filing officer.

29 ~~SEC. 18.~~

30 *SEC. 16.* Section 84620 is added to the Government Code, to
31 read:

32 84620. (a) It is the intent of the Legislature to develop a single,
33 statewide electronic filing system that consolidates the filing of
34 all state and local campaign statements and reports required by
35 this title into one searchable database that provides for, but is not
36 limited to, all of the following:

37 (1) Electronic filing of committee organization statements.

38 (2) Electronic filing of campaign statements by all state
39 committees, without regard to the amounts of contributions and
40 expenditures.

(3) Electronic filing of reports by all major donors at the state and local levels when specified thresholds are met.

(4) A consolidated statewide network that includes a process to import into the statewide database state-required committee disclosures from each local jurisdiction that has its own electronic filing system.

(5) A statewide, Internet Web-based database with expanded filing and public search capabilities that are data driven and user-friendly for all members of the public.

(b) The Secretary of State shall ~~work toward development of~~ *develop* the electronic filing system described in subdivision (a) as follows:

(1) Not later than December 31, 2014, the Secretary of State shall develop a feasibility study report that will outline the technology requirements and the costs of the electronic filing system. The Secretary of State shall consult and coordinate with other state agencies that he or she deems appropriate, including, but not limited to, the Commission, with respect to data transitioning.

(2) The Secretary of State shall develop a funding plan that includes a comprehensive and detailed project budget that will be accurate through the duration of the project and will include appropriate and reasonable contingencies.

(3) The Secretary of State shall engage in fundraising pursuant to the plan developed pursuant to paragraph (2).

(4) Not later than December 31, 2018, the Secretary of State shall complete work on the development, construction, and launch of the electronic filing system described by this section.

~~SEC. 19.~~

SEC. 17. Section 91013 of the Government Code is amended to read:

91013. (a) If a person files an original statement or report after the applicable deadline imposed by this title, he or she shall, in addition to any other penalties or remedies established by this title, be liable in the amount of thirty dollars (\$30) per day after the deadline until the statement or report is filed, to the officer with whom the statement or report is required to be filed. Liability need not be enforced by the filing officer if, on an impartial basis, he or she determines that the late filing was not willful and that enforcement of the liability will not further the purposes of this

1 title, except that no liability shall be waived if a statement or report
2 is not filed within 30 days for a statement of economic interest,
3 other than a candidate's statement filed pursuant to Section 87201,
4 5 days for a campaign statement required to be filed 12 days before
5 an election, and 10 days for all other statements or reports, after
6 the filing officer has sent specific written notice of the filing
7 requirement.

8 (b) If a person files a copy of a statement or report after the
9 applicable deadline imposed by this title, he or she shall, in addition
10 to any other penalties or remedies established by this title, be liable
11 in the amount of thirty dollars (\$30) per day, starting 10 days, or
12 5 days in the case of a campaign statement required to be filed 12
13 days before an election, after the filing officer has sent specific
14 written notice of the filing requirement and until the statement or
15 report is filed.

16 (c) For purposes of this section, a campaign statement or report
17 filed on behalf of a committee shall not be deemed filed if the
18 treasurer does not have a current certification pursuant to Section
19 84100.

20 (d) The filing officer shall deposit any funds received under this
21 section into the general fund of the jurisdiction of which he or she
22 is an officer. No liability under this section shall exceed 150 percent
23 of the cumulative amount stated in the late statement or report, or
24 one thousand dollars (\$1,000), whichever is greater.

25 ~~SEC. 20.~~

26 *SEC. 18.* No reimbursement is required by this act pursuant to
27 Section 6 of Article XIII B of the California Constitution because
28 the only costs that may be incurred by a local agency or school
29 district will be incurred because this act creates a new crime or
30 infraction, eliminates a crime or infraction, or changes the penalty
31 for a crime or infraction, within the meaning of Section 17556 of
32 the Government Code, or changes the definition of a crime within
33 the meaning of Section 6 of Article XIII B of the California
34 Constitution.

35 ~~SEC. 21.~~

36 *SEC. 19.* The Legislature finds and declares that this bill
37 furthers the purposes of the Political Reform Act of 1974 within

- 1 the meaning of subdivision (a) of Section 81012 of the Government
- 2 Code.

O